These representatives open up new opportunities for firms to compete by recommending, when appropriate, that sole-source procurements be made competitive; recommending that separate portions of large planned procurements, or suitable components of end items, be purchased separately so small firms may compete, locating additional small business suppliers for these opportunities and recommending modification of unduly restrictive specifications.

The CHAIRMAN. Mr. Bothmer, you indicated just now that you have had 18 of these procurement specialists since you have resumed the program. How many did you have prior to the time it was discontinued?

Mr. BOTHMER. I believe it was 46, Mr. Chairman.

To help reduce contract administration problems of small firms, we plan to have representatives stationed at Defense Contract Administration offices.

There they can serve as a "friend in court" in such matters as inspection problems, problems of delay in performance caused by the Government, or causes beyond the control of the small firm, progress and other payment problems, and proprietary rights problems.

The CHAIRMAN. If I might interject again, there was a continuing argument that SBA should have the specialists. Others such as the Defense Department have them. We had a period when we didn't have the specialists, and during this period I must say that your testimony indicates that the highest percent of subcontracting was going on. Which shows that it is not all the work of the specialists. I would like to say that it is not the number of specialists that you have in the field, but the quality and capability. One man might be able to do more than a dozen others.

That is just a gratuitous comment.

Proceed.

Mr. BOTHMER. We have recently started some special studies to determine, on a geographic and industrial basis, where the Federal procurement dollar is being spent. The first such study dealing with a contract density index has recently been completed.

The contract density index is a useful measure of the relative impact of Federal procurement among SBA regions and areas. The index represents the ratio of each region's or area's share of total procurement to its share of total manufacturing shipments, converted to a base of 100.

An index of 100 for an area or region means that its share of total Federal procurement equals its share of manufacturing shipments.

Indexes above or below this base measure the degree to which the area or region has exceeded or fallen short of its proportionate share of Federal procurement awards.

The wide dispersion of the index (from a low of 20 for the Boise and Sioux Falls regions to a high of 900 for the Washington metropolitan region) reflects major variations in regional industry mixes.

The 27 regions with the highest indexes (125 and above) generally contain medium or large metropolitan areas which have emerged as growth centers for new industries serving the needs of the electronic, missile, and space age. Illustrative of these are most of the regions of the northeastern area; Jacksonville and Miami in the southeastern area; and Los Angeles, San Francisco, and San Diego in the Pacific coastal area.